

**Opening Statement**  
**Rep. Phil Gingrey, Ranking Member**  
**Subcommittee on Technology and Innovation**  
**Markup of H.R. 5789, SBIR Reauthorization**

April 16, 2008

---

Mr. Chairman, both the Small Business Investment Research and the Small Business Technology Transfer programs have proven to be extremely successful in promoting the growth of small business in this country.

I am very pleased that the Technology & Innovation Subcommittee has made small business a priority as Congress seeks effective ways to promote economic growth. I can think of no better way to stimulate our economy than to reward small business entrepreneurs throughout the country for investing in research and development. Although I do have some concerns about the underlying bill, I commend Chairman Wu for recognizing the benefit that these programs have on our nation's economy and bringing them before the Subcommittee today.

Mr. Chairman, small business drives U.S. economic growth and innovation. These companies make up 99.7 percent of all U.S. employers and employ nearly half of all Americans not working for the government. In addition, small businesses employ 39 percent of high-tech workers such as scientists and engineers, and produce 13 to 14 times more patents per employee than do large firms.

The SBIR and STTR programs were created to provide critical funding to these companies so they could conduct R&D that they otherwise would not be able to afford. These programs also provide further funding to commercialize promising technology resulting from this R&D.

Since their inception in 1982, these programs provide over \$2 billion in grants and contracts each year and have provided the start-up funding for hundreds of small businesses in the United States.

In my own state of Georgia, Georgia Tech provides assistance to small business initiatives across the state, and as a result, companies have received \$15 million in SBIR and STTR grants. Specifically in my district in Northwest Georgia, 8 companies have received \$8.3 million in SBIR awards since 2005.

Mr. Chairman, it is vital that these programs are reauthorized so that we can continue to foster small business development in the emerging technology-based global economy. While I am generally supportive of H.R. 5789, I do have some concerns with sections relating to venture capital and Phase I and II grant eligibility.

My concerns have been echoed by both by the Small Business Technology Council and Georgia Tech, who administers the SBIR and STTR programs in Georgia. Therefore, I ask Unanimous Consent to insert into the record a letter from the Small Business Technology Council addressed to both Chairman Wu and me, dated yesterday, that outlines the Council's concerns with some of the provisions in H.R. 5789.

To that end Mr. Chairman, I will be offering two amendments this afternoon that I believe will be pragmatic solutions to help keep the focus of this program on its intended recipients – small business entrepreneurs.

I look forward to a constructive debate on the amendments that are being offered by several Members of our Subcommittee so we can properly address their concerns with the current draft of H.R. 5789. Each of us is interested in the continued success of both the SBIR and STTR programs, and that is why we are here today.

Mr. Chairman, I yield back the balance of my time.